Closing a Medical Practice

A guide for health professionals working in general or private practice

Acknowledgements

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Introduction

The changes occurring in the general practice landscape present many challenges including the decision to retire or to close a practice. As small businesses, general practices face differing risks in ensuring the safety and care of patients as well as ensuring the associated legal requirements are met to close a practice.

North Western Melbourne Primary Health Network recognises these challenges and the need for a simple guide to support the process of closing a medical practice.

This resource has been developed to assist in planning for this change to ensure you and your patients are able to make this transition safely, efficiently and effectively.

Contents

Step by Step Guide

1. Employees

Informing staff

- Organise staff meeting to notify of practice closure

- Employment Termination Payments

Further information on legal obligations and responsibilities under the fair work act 2009 available at the following:

- Fair Work Australia: www.fairwork.gov.au/employee-entitlements/national-employment-standards

- Australian Taxation Office: www.ato.gov.au

- Australian Medical Association: amavic.com.au/

- RACGP standards for general practices (5th edition) Criterion C3.2 – Accountability and responsibility: www.racgp.org.au/FSDEDEV/media/documents/Running a practice/Practice standards/5th edition/Standards-for-general-practice-5th-edition.pdf

2. Patients health information

Informing patients

- Notification to patients: generally a minimum of 90 days (exceptions may apply). Check with your Medical Indemnity Insurer for state legislative requirements.

- Develop display signage/information sheets, advertise in local papers with information on accessing medical records and transfer to another general practice with list of local practices in the area.

- When practice is closed organise an answering service for patients to contact if they require   their medical records or anyone else wishing   to access e.g. legal representatives and organise a mailing address (PO Box).

Guidelines on Privacy in the Private Health Sector: gp2u.com.au/static/documents/Guidelines-on-Privacy-in-the-Private-Health-Sector-2001.pdf

Confidentiality and privacy of health information: RACGP standards for general practices (5th edition) Criterion C6.3 – Confidentiality and privacy of health and other information: www.racgp.org.au/FSDEDEV/media/documents/Running a practice/Practice standards/5th edition/Standards-for-general-practice-5th-edition.pdf

Transferring health information

Maintain a summary list of patients and what action was taken:

- Practice provided copy of patient record to the new practice
- Summary only was provided to new practice
- Copy collected by patient
- Copy of record transferred directly to another doctor at patient's request
- Patient record stored for future access (data and location).

If a practice is sold, the transfer of the original health records to the purchaser is permitted, if the legal entity remains in existence and the health information is used exactly in the same way in providing healthcare, patient consent must be obtained and recorded.

Refer to the Guidelines on Privacy in the Private Health Sector 2001, Section 10: gp2u.com.au/static/documents/Guidelines-on-Privacy-in-the-Private-Health-Sector-2001.pdf

Medical records transfer fees

For more information visit www2.health.vic.gov.au/about/publications/policiesandguidelines/Health Records Regulations 2012

Patient consent for the transfer of health information

Patients must consent to have their health information forwarded to a third party, refer to the Office of the Australian Information Commissioner at www.oaic.gov.au or visit www2.health.vic.gov.au/about/legislation/health-records-act

Patient test results

Communicating with patients regarding their test results is a critical aspect of maintaining continuity of care. The practice needs to have arrangements in place in order to provide patients with their results after closure of the practice to their new GP. Refer to the RACGP standard for general practices (5th edition) Criterion GP2.1 – Continuous and comprehensive care). www.racgp.org.au/FSDEDEV/media/documents/Running a practice/Practice standards/5th edition/Standards-for-general-practice-5th-edition.pdf

Retention and storage of health records

It is a legal requirement for the health records to be kept in secure storage to prevent them from being damaged, lost or stolen. Check with your indemnity insurer for state legislation on the retention times you need to store the health records.

Under the Health Records Act 2001 (Vic) the health records are to be stored for 7 years for persons over 18 or at least until the age of 25 in the case of children. If the medical records are electronic you must ensure that the records are secure from misuse and loss. All records must not have unauthorised access, interference, change or disclosure. All passwords and backup of data must be protected; the operating system must have firewalls and virus protection.

Please refer to your medical indemnity insurance regarding long term security storage of health records.

For more information refer to the RACGP standards for general practices (5th edition)

- Criterion C7.1 – Content of patient health records
- Criterion C6.3 – Confidentiality and privacy of health and other information
- Criterion C6.4 – Information security

www.racgp.org.au/FSDEDEV/media/documents/Running a practice/Practice standards/5th edition/Standards-for-general-practice-5th-edition.pdf

The Health Records Act 2001 (Vic) www2.health.vic.gov.au/about/legislation/health-records-act

Destruction of medical records

When medical records are being destroyed you need to record the patient details and date you destroyed them. You also need to make sure that there are no relevant or existing disputes of the patient information.

It is a criminal offence for the destruction of medical records where there may be any legal proceedings current or pending.

For further information, please refer to your medical Indemnity insurance.

3. Materials and equipment

Disposal of medications, poisons and controlled substances S4 and 8 drugs

The destruction of S8 drugs must be carried out by a pharmacist, dentist, veterinary practitioner, nurse practitioner or medical practitioner and must be witnessed by a pharmacist, dentist, veterinary practitioner, medical practitioner or nurse.

The details of the destruction, including the name of the medication, strength and quantity of the poisons or controlled substances destroyed, the method and place of destruction and the names of the persons carrying out the destruction and the witness are to be recorded in the drug register and made available for the inspection of an authorised officer when requested.

Please Note: All efforts have been made to provide up to date correct information for your benefit. It is your responsibility to check the regulation.

More information:

- Department of Health: www.health.vic.gov.au/dpu Tel: 1300 364 545 Fax: 1300 360 830
- Department of Health: Drugs and Poisons Regulation www2.health.vic.gov.au/about/publications/policiesandguidelines/guide-dpcs-regulations-2006
- RACGP standards for general practice (5th edition) Criterion QI2.2 – Safe and quality use of medicines: www.racgp.org.au/FSDEDEV/media/documents/Running a practice/Practice standards/5th edition/

  Standards-for-general-practice-5th-edition.pdf

Equipment and stock

Dispose of practice stationery especially with confidential information using approved appropriate method of destroying health record systems before disposal (e.g. shredding of paper records, removal and reformatting of hard drives)refer to RACGP standard for general practices (5th edition) Criterion C6.4 – Information security: www.racgp.org.au/FSDEDEV/media/documents/Running a practice/Practice standards/5th edition/Standards-for-general-practice-5th-edition.pdf

For dispose of prescription pads call Medicare on 132 290 and they will collect them or further information go to: www.humanservices.gov.au/health-professionals/services/medicare/pbs-and-rpbs-prescription-forms

Dispose of sharps, contaminated and hazardous waste please call your infectious waste contractor.

General practice equipment e.g. desks, vaccine fridges and other medical equipment consider:
- Donating
- Selling
- Hard waste (contact local council)

4. Computer and IT information security

Seek advice from your IT provider regarding all electronic health records. For further information refer to the RACGP standards below:

- RACGP standards for general practices (5th edition) Criterion C6.4 – Information security: www.racgp.org.au/FSDEDEV/media/documents/Running a practice/Practice standards/5th edition/Standards-for-general-practice-5th-edition.pdf

- RACGP Introduction to Information security in general practice: www.racgp.org.au/running-a-practice/security/protecting-your-practice-information/information-security-in-general-practice/introduction

- All NASH certificates, PKI and passwords need to be shredded: www.humanservices.gov.au/health-professionals/services/medicare/national-authentication-service-health

5. Insurance

Contact your insurance broker or the following organisations to inform them of closure:
- Worksafe Victoria
- TAC
- Public Liability Insurer
- Practice Indemnity Insurer
- Building and Contents Insurer
- Medical Indemnity Insurer
- Employee related Insurer

Your medical indemnity insurance should be contacted to discuss practice closure. You may wish to have your insurance maintained (if required) and other health professionals such as nurses or allied health.

Your insurer will also advise you of the Australian Government Run off Cover Scheme. This is in reference to claims that have been made and claims incurred. For more information:

- www.aga.gov.au/publications/runoff_cover_2006/html/ROCS_Annual_Report-04.asp#P469_54011

- www.health.gov.au/internet/main/publishing.nsf/Content/health-medicalindemnity-faq-rocs.htm

6. Taxation and business related registrations

Contact the following organisations:

Australian Taxation Office
- Pay As You Go (PAYG)
- Tax File Number (TFN)
- Goods and Services Tax (GST)
- Fringe Benefits Tax (FBT)
- Australian Business Number (ABN)

For more information: www.ato.gov.au/Business

7. Business banking arrangements

Notify your bank(s).
- Close Business Bank accounts
- Return any equipment e.g. Eftpos machines

8. Practice accounts and financial records

Contact your accountant and bookkeeper
- Finalise all accounts
- BAS
- Retention of business records

9. Governing bodies and local authorities

Notify governing bodies and local authorities.

Contact the following organisations to advise them of closure:
- Medicare Australia – provider, PBS numbers
- Australian Securities Investment Commission
- Local hospitals
- Local specialists
- Local GP practices
- Local council
- National Health Directory
- Private health insurances
- Local PHN
- Medical Board of Australia. Please note, when contacting Medical Board of Australia, you need to notify them if you wish to maintain your registration (if required)
- RACGP
- Accreditation: QPA/ AGPAL
- Worksafe Victoria
- Department of Veteran Affairs
- Census
- Translating and Interpreter Service
- Local schools
- Local maternal health centres
- Local kindergartens

For more information visit:
- www.humanservices.gov.au/health-professionals/services/medicare/medicare-online-health-professionals
- www.humanservices.gov.au/health-professionals/services/medicare/practice-incentives-program
- www.asic.gov.au/
- www.medicalboard.gov.au/
- www.racgp.org.au/Home
- www.agpal.com.au/
- www.gpa.net.au/
- www.dva.gov.au/
- www.worksafe.vic.gov.au/health-professionals
- www.tac.vic.gov.au/
- www.nhsd.com.au/
- www.nwmphn.org.au/
- www.abs.gov.au/contact
- www.tisnational.gov.au/en/Help-using-TIS-National-services/Contact-TIS-National
- www.ahpra.gov.au/

10. Utilities

Notify utility organisations. Contact utility organisations to cancel the following:
- Electricity
- Gas
- Telephone
- Rates and water rates
- Internet provider
- Australia Post

11. Subscriptions and memberships

Cancel subscriptions or memberships
- Magazines – Australian Doctor, 6 minutes
- Newspapers
- Other e.g. Medical information companies

12. Security

Notify your security organisation
- Alarm system
- Keys
- Alarm codes or staff ID cards
- Any security items

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NORTH WESTERN
MELBOURNE

An Australian Government Initiative

REGISTERED CHARITY
acnc.gov.au/charityregister

Certified System
Quality
ISO 9001
SAI GLOBAL

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